Loral Defense Systems-Akron, Division of Loral Corporation *and* International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and its Local No. 856 (UAW), AFL–CIO

Aircraft Braking Systems Corporation *and* International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and its Local No. 856, UAW. Cases 8–CA–25507, 8–CA–25508, and 8–CA–25765

January 31, 1996

DECISION AND ORDER

BY CHAIRMAN GOULD AND MEMBERS BROWNING AND COHEN

The issues in this case include: whether the judge correctly found that the Respondents violated Section 8(a)(5) and (1) of the Act by unilaterally changing health care plans; and, whether the judge correctly found that Respondent Aircraft Braking Systems (Respondent Aircraft) violated Section 8(a)(5) and (1) of the Act by unilaterally repudiating an interim agreement to arbitrate.[1] The Board has considered the decision and the record in light of the exceptions and briefs and has decided to affirm the judge's rulings, findings,[2] and conclusions, except as modified below, and to adopt the recommended Order as modified.[3]

The Union represents separate appropriate bargaining units of Respondent Loral Defense Systems (Respondent Loral) and Respondent Aircraft. On August 10 and October 14, 1991, respectively, Respondent Loral and Respondent Aircraft implemented their final contract offers after reaching lawful impasse during negotiations for separate successor agreements.

Respondent Loral's implemented offer provided for ''medical benefits under the 80/20 option of the Comprehensive Medical Plan.'' It also included the following provision:

> The Employer reserves the right to amend or modify any part of this Plan, including employee contributions on Drug Copayments, but will not do so unless the plan is likewise amended or modified for non-Bargaining Unit Employees.

Respondent Aircraft's implemented offer also provided for medical benefits under the Comprehensive Medical Plan, and contained the following similar provision:

> The Company reserves the right to amend or modify the Comprehensive Medical plan; to revise the employee contributions; or to revise the co-payments; but will not do so unless the salaried plan is also revised.

On January 29, 1993, the Respondents each informed the Union that, effective May 1, the Comprehensive Medical Plan would be replaced by the Aetna Managed Choices Plan.[4] The Respondents further advised that the change was not negotiable. The Union protested orally and in writing. The Respondents implemented the Aetna Managed Choices Plan on May 1.

The Respondents argued before the judge, and on exceptions to the Board, that they were privileged to unilaterally change health care plan providers by the language in their implemented offers reserving to them ''the right to amend or modify'' any part of the Comprehensive Medical Plan.

The judge found untenable the Respondents' argument that the health care proposals amounted to a unilaterally imposed waiver. Citing *McClatchy Newspapers*, 299 NLRB 1045 (1990), enf. denied and remanded 964 F.2d 1153 (D.C. Cir. 1992), and *Colorado-Ute Electrical Assn.*, 295 NLRB 607 (1989), enf. denied 939 F.2d 1392 (10th Cir. 1991), the judge found that an imposed waiver is inoperative to deny a union the right to bargain about future changes in mandatory subjects.

We agree with the judge that by unilaterally changing health care plans the Respondents violated Section 8(a)(5). In adopting the judge's findings, however, we do not find it necessary to rely on his ''waiver'' rationale.

Preliminary to determining whether the Respondents could lawfully implement the new health plans we must determine whether the discretion to change plan providers was ''reasonably comprehended'' within the

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[1] On August 8, 1994, Administrative Law Judge James L. Rose issued the attached decision. The Respondents each filed exceptions and supporting briefs. The General Counsel filed a brief in response to the Respondents' exceptions. The Respondents each filed an answering brief.

[2] The Respondents have excepted to some of the judge's credibility findings. The Board's established policy is not to overrule an administrative law judge's credibility resolutions unless the clear preponderance of all the relevant evidence convinces us that they are incorrect. *Standard Dry Wall Products*, 91 NLRB 544 (1950), enfd. 188 F.2d 362 (3d Cir. 1951). We have carefully examined the record and find no basis for reversing the findings.

In adopting the judge's finding that Respondent Aircraft violated Sec. 8(a)(5) of the Act by refusing to arbitrate grievances identified in the judge's decision, we do not pass on his conclusion that there can be no relitigation of the findings of the United States District Court judge concerning the existence of an agreement containing an arbitration mechanism. Rather, we adopt the administrative law judge's independent finding, based on the factual findings in the district court proceeding, that there was an agreement to arbitrate.

[3] We shall modify the judge's recommended Order to tailor it to the specific violations found, and to require that the Respondents rescind the comprehensive medical plans only if requested by the Union. Provisions in the attached notice reflect these modifications.

[4] The Respondents also modified the plan for nonunit (salaried) employees. Thus, the proviso in Respondents' reservation of rights was satisfied.

original proposals. See generally *NLRB v. Katz*, 369 U.S. 736 (1962). If it was not comprehended, then the Respondents' changes were unlawful because the Union was not afforded an opportunity to bargain over them.

We find that changing to the Aetna Managed Choices Plan was not ''reasonably comprehended'' within the original health care proposals rejected by the Union and implemented by the Respondents. The implemented provisions reserved to the Respondents the discretion to ''amend'' or ''modify'' the Comprehensive Medical Plan. The Aetna Managed Choices Plan was not merely an amendment or modification of an existing plan, but rather constituted a replacement of the plan with an entirely new delivery system for health insurance. This new plan was substantially different from the Comprehensive Medical Plan; it eliminated the option of selecting a health maintenance organization (HMO), the employees' choice of doctors, and the $1500 out of pocket maximum on costs. It also imposed a $1 million lifetime limit on benefits. Moreover, Respondent Aircraft also eliminated oral surgery benefits.

Because the substitution of plans was not reasonably comprehended within the implemented offer, the Respondents were obligated to bargain with the Union prior to making the change. Accordingly, the implementation of the Aetna Managed Choices Plan without bargaining with the Union violated Section 8(a)(5) and (1) of the Act.

ORDER

The National Labor Relations Board adopts the recommended Order of the administrative law judge as modified below and orders that:

A. Respondent Aircraft Braking Systems Corporation, Akron, Ohio, its officers, agents, successors, and assigns, shall take the action set forth in the Order as modified.

1. Delete paragraph 2(a) and reletter all subsequent paragraphs.

2. Substitute the following for paragraph 2(c).

''(b) If the Union requests, rescind the Aetna Managed Choices health insurance plan made effective on May 1, 1993, and reinstate the Comprehensive Medical Plan as to bargaining unit employees and make such employees whole for any losses they may have suffered as a result of the plan change, as provided in *Kraft Plumbing & Heating*, 252 NLRB 891 (1980), enfd. mem. 661 F.2d 940 (9th Cir. 1981). Reimbursement shall be made with interest computed in the manner prescribed in *New Horizons for the Retarded*, 283 NLRB 1173 (1987). The appropriate unit is:

> ''All hourly rated production, shipping, receiving, stores, maintenance, inspection and production control employees in the following classifications only: Blue Print room attendant, all-around inspector, senior inspector, junior inspector and apprentice inspector employed by Aircraft Braking Systems Corporation but excluding all office employees, supervisors, pattern makers, all other salaried employees, engineering employees, plant protection employees, time keeping employees and all employees employed by Loral Defense Systems-Akron, Division of Loral Corporation.''

3. Substitute the attached notice for that of the administrative law judge.

B. Respondent Loral Defense Systems-Akron, Division of Loral Corporation, Akron, Ohio, its officers, agents, successors, and assigns, shall take the action set forth in the Order as modified.

1. Delete paragraph 2(a) and substitute the following for paragraph 2(b) and reletter all subsequent paragraphs.

''(a) If the Union requests, rescind the Aetna Managed Choices health insurance plan made effective on May 1, 1993, and reinstate the Comprehensive Medical Plan as to bargaining unit employees and make such employees whole for any losses they may have suffered as a result of the plan change, as provided in *Kraft Plumbing & Heating*, 252 NLRB 891 (1980), enfd. mem. 661 F.2d 940 (9th Cir. 1981). Reimbursement shall be made with interest computed in the manner prescribed in *New Horizons for the Retarded*, 283 NLRB 1173 (1987). The appropriate unit is:

> ''All hourly rated production, shipping, receiving, stores, maintenance, inspection and production control employees in the following classifications only: Blue Print room attendant, all-around inspector, senior inspector, junior inspector and apprentice inspector employed by Loral Corporation, but excluding all office employees, supervisors, pattern makers, all other salaried employees, engineering employees, plant protection employees, time keeping employees and all employees employed by Aircraft Braking Systems Corporation.''

2. Substitute the attached notice for that of the administrative law judge.

APPENDIX A

NOTICE TO EMPLOYEES
POSTED BY ORDER OF THE
NATIONAL LABOR RELATIONS BOARD
An Agency of the United States Government

The National Labor Relations Board has found that we violated the National Labor Relations Act and has ordered us to post and abide by this notice.

WE WILL NOT refuse to bargain with International Union, United Automobile, Aerospace and Agricultural

Implement Workers of America and its Local No. 856, UAW, by unilaterally changing health insurance plans or refusing to submit unresolved grievances to arbitration.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce you in the exercise of the rights guaranteed you by Section 7 of the Act.

WE WILL, upon the request of the Union, rescind the health insurance plan made effective May 1, 1993, known as Managed Choices and we will reinstate the Comprehensive Medical Plan.

WE WILL make whole any bargaining unit employees who may have suffered any loss as a result of our unilateral change in health plans, with interest. The appropriate unit is:

> All hourly rated production, shipping, receiving, stores, maintenance, inspection and production control employees in the following classifications only: Blue Print room attendant, all-around inspector, senior inspector, junior inspector and apprentice inspector employed by Aircraft Braking Systems Corporation but excluding all office employees, supervisors, pattern makers, all other salaried employees, engineering employees, plant protection employees, time keeping employees and all employees employed by Loral Defense Systems, Akron, Division of Loral Corporation.

WE WILL agree to arbitrate grievances A–8770, A–8779, A–8886, A–8712, and any other grievances which the Union has appropriately designated for arbitration.

AIRCRAFT BRAKING SYSTEMS CORPORATION

APPENDIX B

NOTICE TO EMPLOYEES
POSTED BY ORDER OF THE
NATIONAL LABOR RELATIONS BOARD
An Agency of the United States Government

The National Labor Relations Board has found that we violated the National Labor Relations Act and has ordered us to post and abide by this notice.

WE WILL NOT refuse to bargain with International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and its Local No. 856, UAW, by unilaterally changing health insurance coverage plans.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce you in the exercise of the rights guaranteed you by Section 7 of the Act.

WE WILL, upon the request of the Union, rescind the health insurance plan made effective May 1, 1993, known as Managed Choices and we will reinstate the Comprehensive Medical Plan.

WE WILL make whole any bargaining unit employees who may have suffered any loss as a result of our unilateral change in health plans, with interest. The appropriate unit is:

> All hourly rated production, shipping, receiving, stores, maintenance, inspection and production control employees in the following classifications only: Blue Print room attendant, all-around inspector, senior inspector, junior inspector and apprentice inspector employed by Loral Corporation, but excluding all office employees, supervisors, pattern makers, all other salaried employees, engineering employees, plant protection employees, time keeping employees and all employees employed by Aircraft Braking Systems Corporation

LORAL DEFENSE SYSTEMS-AKRON, DIVISION OF LORAL CORPORATION

Allen Binstock, Esq., for the General Counsel.
Mark Portnoy, Esq., of Westbury, New York, for Respondent Loral.
Carol MacKenzie, Esq., of Westbury, New York, for Respondent Aircraft Braking.
Edward C. Kaminski, Esq., of Akron, Ohio, for the Respondents.

DECISION

STATEMENT OF THE CASE

JAMES L. ROSE, Administrative Law Judge. These consolidated cases were tried before me at Akron, Ohio, on May 10, 11, and 12, 1994, on the General Counsel's complaint that alleged generally that the Respondents had engaged in violations of Section 8(a)(5) of the National Labor Relations Act, 29 U.S.C. § 151 et seq. Each Respondent denied that it committed the unfair labor practices alleged.

Pursuant to a pretrial order, the allegations against each Respondent were tried separately. Following the close of the hearing, counsel submitted briefs. On the record as a whole, including my observation of the witnesses, briefs, and arguments of counsel, I make the following

FINDINGS OF FACT

I. JURISDICTION

Aircraft Braking Systems Corporation (Aircraft) is a Delaware corporation with an office and place of business at Akron, Ohio, and is engaged in the manufacture of braking systems for commercial, general aviation, and military aircraft. In the conduct of this business, Aircraft annually ships directly to points outside the State of Ohio goods, products, and materials valued in excess of $50,000.

Loral Defense Systems-Akron, Division of Loral Corporation (Loral), is a Delaware corporation, with an office and place of business at Akron, Ohio, and is there engaged in the manufacture of flight simulators and radar systems under contract with the United States and various foreign governments. In the conduct of this business, Loral annually ships

directly to points outside the State of Ohio goods, products, and materials valued in excess of $50,000.

Each Respondent admits, and I find, that it is an employer engaged in interstate commerce within the meaning of Section 2(2), (6), and (7) of the Act.

II. THE LABOR ORGANIZATION

The Charging Party, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and its Local No. 856 (UAW), AFL–CIO (the Union), is admitted to be, and I find is, a labor organization within the meaning of Section 2(5) of the Act.

III. THE ALLEGED UNFAIR LABOR PRACTICES

A. *Background Facts*

For many years the Union has represented the employees involved here, however, with different employers and bargaining units. After a corporate reorganization in 1988, the Union represented these employees in a single bargaining unit, and the parties had a collective-bargaining agreement effective from October 31, 1988, to August 10, 1991. On July 26, 1991, pursuant to a Board Order in a unit clarification matter (Case 8–UC–258) the single unit was held no longer appropriate as a result of the change in organizational structure of the companies. The Union was then recognized by each Respondent as the bargaining representative of its employees in an appropriate unit. And each continued in effect the then existing collective-bargaining agreement until August 10.

The parties engaged in contract negotiations, but were unable to reach agreements and on August 10, 1991, Aircraft unilaterally implemented its final contract offer and, on October 14, 1991, Loral implemented its final offer.

As implemented, Loral's final offer contained a provision to provide for ''medical benefits under the 80/20 Option of the Comprehensive Medical plan.'' The agreement also provided that on the effective date that plan, the current ''Medical Necessity'' plan, would be terminated. Under the provisions of the Comprehensive Medical Plan is the following:

> The Employer reserves the right to amend or modify any part of this Plan, including employee contributions or Drug Copayments, but will not do so unless the Plan is likewise amended or modified for non-Bargaining Unit Employees.

The final proposal of Aircraft also contained a provision to replace the current medical coverage, the Comprehensive Medical Plan and prescription drug benefit plan. This proposal also included the following:

> The Company reserves the right to amend or modify the Comprehensive Medical plan; to revise the employee contributions; or to revise the co-payments; but will not do so unless the salaried plan is also revised.

Aircraft proposed that the grievance-and-arbitration procedure be changed by deleting named permanent arbitrators and substituting therefor the American Arbitration Association, and defining how the parties would meet to select an arbitrator.

B. *The Facts Leading to These Cases*

1. The Aircraft grievances

Although Aircraft proposed to change the manner of selecting arbitrators, in its final offer the substance of the grievance-and-arbitration mechanism was maintained. And after implementation of the proposal, the Union filed several grievances alleging violations of the contract.

There has followed substantial litigation over the Union's insistence that the denial of certain grievances be arbitrated. Aircraft has taken the position, and so argues here, that the matters are not arbitrable because, as averred in its answer, ''there is no agreement in effect between the parties, no ratification has occurred and the 'no strike' provision contained in the implemented final proposal is not in effect.''

It is alleged that since March 8, 1993, Aircraft has refused to arbitrate grievances A–8700, A–8779, A–8886, and A–8712. This denial was generally confirmed by the testimony of Edward L. Searle, Aircraft's director of human resources, as well as by letter he sent to the American Arbitration Association dated March 8, 1993, relating to grievance A–8700.

Aircraft sought to enjoin arbitration of grievance A–8700 (regarding a lump sum payment to employees) in the United States district court, but, as noted below, was unsuccessful. The matter has now been arbitrated. The parties entered into a ''stand still'' agreement with regard to grievance A–8779 (regarding implementation of the Comprehensive Medical Plan) pending resolution of parallel issues in Federal court. Subsequent to the court's decision, the Union sought to reinstate the arbitration procedure, but Aircraft has declined. Aircraft has also refused to arbitrate grievance A–8886 (to reinstate the Comprehensive Medical Plan) but contends that such is not abritrable and in any event the Union has never demanded arbitration. Grievance A–8712 (relating to outsourcing) has been the subject of another injunction action in United States district court, with the court entering an order to compel arbitration. Subsequent to the hearing here, the arbitration has been held.

2. The change in health coverage

On January 29, 1993, both Respondents announced to the Union that effective May 1, 1993, the health benefits plan would be changed from that set forth in the implemented proposals to Aetna Managed Choice Plan. Union representatives were informed of this in meetings with Searle for Aircraft Braking and Gregory T. Myers for Loral. And by letter of January 29, employees in the two bargaining units were informed of the change.

The Union protested the implementation of this change to each Respondent, and instructed its members to sign the enrollment change forms under protest. At the request of the Union, inclusion of dental benefits (consistent with that provided for salaried employees) has been agreed to by the Respondents.

B. *Analysis and Concluding Findings*

1. The arbitration issue

As noted above, following negotiations in 1991, Aircraft implemented its final contract proposal, the legality of which is not in issue here. Thus the contract as implemented con-

tained a mechanism to resolve grievances with arbitration as the final step. Nevertheless, Aircraft has engaged in a protracted course of conduct by which it has refused to submit certain grievances to arbitration—generally taking the position that since the Union has never ratified the contract, there is none and therefore there is no arbitration mechanism.

On May 14, 1993, United States District Judge Sam H. Bell issued an order in which he found that there exists an agreement between Aircraft and the Union to arbitrate grievances and that grievance A–8700 should be submitted to binding arbitration. The court rejected the argument that ratification by the Union was a necessary condition to implementation of the arbitration mechanism.

Since the Federal courts are charged with fashioning a body of substantive Federal labor law with regard to collective-bargaining agreements, *Textile Workers v. Lincoln Mills of Alabama*, 353 U.S. 448 (1956), and since the existence of a contract with an arbitration mechanism is clearly within the court's subject matter jurisdiction, the Board, I believe, is bound. Thus, on motion of the General Counsel at the outset of this proceeding, I ruled that the issue of whether there exists an arbitration mechanism between the parties would not be relitigated—that the decision of Judge Bell would be the rule in this case.

Further, I conclude the same result would be reached independently by the Board. Aircraft proposed and then implemented a contract that contained an arbitration clause which was substantially the same as in the expired contract. And Aircraft notified the Union that it would enforce the ''no-strike'' provision of the agreement, which the Supreme Court has held is the quid pro quo for an arbitration provision. Aircraft has also taken the position before the Board, in other cases involving this dispute, that an arbitration provision exists.

By its actions, as well as the clear language of the implemented contract, Aircraft agreed to an arbitration mechanism. To then repudiate this agreement by refusing to arbitrate the grievances set forth above was clearly a breach of its bargaining obligations and was violative of Section 8(a)(5) of the Act.

2. Change in the health benefits

Though the precise words spoken by officials of the Respondents at the meetings on January 29 is disputed, there is no question that each Respondent made the unilateral decision to change the health insurance coverage for bargaining unit employees. Further, I credit the testimony of the General Counsel's witnesses to the effect that they were told the change was instituted by higher corporate authority and would not be the subject of bargaining. Finally, Searle testified that the structure of the plan was not subject to change, from which I conclude that negotiations could not have been fruitful on fundamental issues involving health insurance.

Although somewhat disputing what the Union was told, the real defense of both Respondents rests on language in their respective final offers that the ''Employer reserves the right to amend or modify any part of this Plan . . . .'' The General Counsel contends that changing coverage from one plan to another is not an amendment or a modification. Rather it is a fundamental change about which the Respondents were obligated to bargain with the Union.

Unquestionably health insurance is a mandatory subject of bargaining. Thus the language relied on, if agreed to by the Union, would arguably amount to a waiver to bargain over a mandatory subject. Certainly a bargaining agent can make such a waiver; however, the Board has consistently held that doing so must be clear and unequivocal.

The Respondents argue that by implementing their final proposals, the Union thereby waived its right to bargain over modifications or changes to the new health insurance plan. I find such an argument untenable.

Under certain circumstances, including those here, an employer may on impasse in negotiations change terms and conditions of employment consistent with its proposals. *Taft Broadcasting Co*., 163 NLRB 475 (1967), enfd. sub. nom. *Television Artists AFTRA v. NLRB*, 295 F.2d 622 (D.C. Cir. 1968). Such does not mean, however, that an employer may propose and bargain to impasse on a clause the effect of which forecloses the union's future right to bargain.

The Respondents argue that they can propose a substantive change in a mandatory subject of bargaining and include therein a provision that the Union waives its right to bargain about future changes (a nonmandatory subject) and this binds the Union, regardless of whether the Union accepted or rejected the proposal. Such a reading of the Act would clearly eviscerate the employees' right to bargain collectively. It is one thing for a union to waive its right to bargain over some subject; it is quite another for an employer to impose such a waiver under the guise of reaching impasse. The Respondents equate specific waiver agreed to by the Union in a contract with a reserved right they proposed to which the Union did not agree. I reject the Respondents' analysis.

Both Respondents cite the remand of *McClatchy Newspapers*, 299 NLRB 1045 (1990), enf. denied and remanded 964 F.2d 1153 (D.C. Cir. 1992), as authority that by bargaining to impasse on a mandatory subject, the employer can proceed to make the proposed change. There the court found there had been an impasse on substance of the wage increase proposal and, contrary to the Board, concluded that the company could implement it. The court disagreed with the Board only on the question of whether there had been an impasse on how the wage increase might be implemented. The court did not reject language in the Board's decision that the company could not unilaterally impose a waiver on the union. To the same effect, see also *Colorado-Ute Electrical Assn*., 295 NLRB 607 (1989), enf. denied 939 F.2d 1392 (10th Cir. 1991).

I conclude that an employer may, on impasse, change a condition of employment consistent with its proposal, but it may not thereby bar the representative of its employees from bargaining about future changes. I therefore conclude that the language relied on by the Respondents is inoperative to deny the Union the right to bargain about proposed changes in the health plan implemented by the Respondents in 1991—whether changing details of that plan or adopting an altogether new plan.

The Respondents further argue that the Union did not exercise due diligence in requesting them to bargain, assuming they had the obligation to do so. I reject this argument. I credit the General Counsel's witnesses that on January 29 the medical coverage change was presented to them as a final decision handed down from a higher corporate level. This

conclusion is supported by letter of January 29 sent to all Loral employees:

> The attached brochure provide[s] you with an overview of the benefit changes that will become effective May 1, 1993. You will be given more detailed information over the next several weeks.

The Union did protest the change and filed a grievance, which is one that Aircraft Braking has refused to process. And the Union urged its members to sign the enrollment forms under protest. On these facts it can scarcely be found that the Union did not attend to its rights.

I therefore conclude that by unilaterally implementing the change in insurance plans, announced on January 29 effective on May 1, 1993, each Respondent violated Section 8(a)(5) of the Act. That the Union requested and the Respondents agreed to inclusion of dental coverage does not alter this conclusion. The Respondents decided to change the insurance coverage and presented this as a completed thing to the Union; thus, a subsequent change in a detail based on the Union's request did not make initial implementation lawful. Further, whatever negotiations the parties had after January 29 about a particular coverage under Managed Choices, there could have been no altering the decision to change plans.

REMEDY

Having concluded that the Respondents have engaged in the unfair labor practices alleged, I shall recommend that they cease and desist therefrom and take certain affirmative action designed to effectuate the policies of the Act.

On these findings of fact and conclusions of law and on the entire record, I issue the following recommended[1]

ORDER

A. The Respondent Aircraft Braking Systems Corporation, Akron, Ohio, its officers, agents, successors, and assigns, shall

1. Cease and desist from

(a) Refusing to bargain with International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and its Local No. 856 (UAW), AFL–CIO by refusing to comply with the arbitration provisions of the contract it implemented on August 10, 1991, and by unilaterally changing the plan covering bargaining unit employees' health insurance.

(b) In any like or related manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed them by Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the policies of the Act.

(a) On request, bargain with the Union as the exclusive representative of the employees in the following appropriate unit concerning terms and conditions of employment and, if an understanding is reached, embody the understanding in a signed agreement:

> All hourly rated production, shipping, receiving, stores, maintenance, inspection and production control employees in the following classifications only: Blue Print room attendant, all-around inspector, senior inspector, junior inspector and apprentice inspector employed by Aircraft Braking Systems Corporation but excluding all office employees, supervisors, patternmakers, all other salaried employees, engineering employees, plant protection employees, timekeeping employees and all employees employed by Loral Defense Systems-Akron, Division of Loral Corporation.

(b) Submit to arbitration as provided in the contract implemented on August 10, 1991, grievances A–8770, A–8779, A–8886, and A–8712 and any other properly brought by the Union.

(c) Rescind Managed Choices health insurance plan and reinstitute the Comprehensive Medical Plan and make whole any bargaining unit employee who may have suffered any loss as a result of the unilateral change in plans effective May 1, 1993.

(d) Post at its facility in Akron, Ohio, copies of the attached notice marked ''Appendix A.''[2] Copies of the notice, on forms provided by the Regional Director for Region 8, after being signed by the Respondent's authorized representative, shall be posted by the Respondent immediately upon receipt and maintained for 60 consecutive days in conspicuous places including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the Respondent to ensure that the notices are not altered, defaced, or covered by any other material.

(e) Notify the Regional Director in writing within 20 days from the date of this Order what steps the Respondent has taken to comply.

B. Respondent Loral Defense Systems-Akron, Division of Loral Corporation, Akron, Ohio, shall

1. Cease and desist from

(a) Refusing to bargain with International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and its Local No. 856 (UAW), AFL–CIO by unilaterally altering terms of conditions of employment.

(b) In any like or related manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed them by Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the policies of the Act.

(a) On request, bargain with the Union as the exclusive representative of the employees in the following appropriate unit concerning terms and conditions of employment and, if an understanding is reached, embody the understanding in a signed agreement:

> All hourly rated production, shipping, receiving, stores, maintenance, inspection and production control employ-

[1] If no exceptions are filed as provided by Sec. 102.46 of the Board's Rules and Regulations, the findings, conclusions, and recommended Order shall, as provided in Sec. 102.48 of the Rules, be adopted by the Board and all objections to them shall be deemed waived for all purposes.

[2] If this Order is enforced by a judgment of a United States court of appeals, the words in the notice reading ''Posted by Order of the National Labor Relations Board'' shall read ''Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board.''

ees in the following classifications only: Blue Print room attendant, all-around inspector, senior inspector, junior inspector and apprentice inspector employed by Loral Corporation, but excluding all office employees, supervisors, patternmakers, all other salaried employees, engineering employees, plant protection employees, timekeeping employees and all employees employed by Aircraft Braking Systems Corporation.

(b) Rescind Managed Choices health insurance plan made effective on May 1, 1993, and reinstate the Comprehensive Medical Plan as to bargaining unit employees and make any such employee whole for any losses he may have suffered as a result of the plan change.

(c) Post at its facility in Akron, Ohio, copies of the attached notice marked ''Appendix B.''[3] Copies of the notice, on forms provided by the Regional Director for Region 8 after being signed by the Respondent's authorized representative, shall be posted by the Respondent immediately upon receipt and maintained for 60 consecutive days in conspicuous places including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the Respondent to ensure that the notices are not altered, defaced, or covered by any other material.

(d) Notify the Regional Director in writing within 20 days from the date of this Order what steps the Respondent has taken to comply.

[3] See fn. 2, above.